

Yesterday, we took a great step in meeting this challenge with the introduction by a bipartisan group of a significant measure to help cover the uninsured. As a physician, I understand that one-size-fits-all does not work in health care.

Our bipartisan working group respects greatly the principle of federalism. And our proposal will empower States to develop methods that best suit their unique populations.

H.R. 5864, the Health Partnership Through Creative Federalism Act holds real promise to increase the number of Americans with health insurance coverage. By empowering States to develop methods that best suit their unique needs, we are putting patients first which should be the foundation of any reform. This bold initiative takes this inherent knowledge into account and gives States the flexibility to find solutions to cover the uninsured.

I encourage my colleagues on both sides to sign on as a cosponsor and support this innovative solution.

REPUBLICANS IGNORE RISING ENERGY COSTS

(Mr. FILNER asked and was given permission to address the House for 1 minute.)

Mr. FILNER. Mr. Speaker, gas prices are once again at record highs. According to the Bush administration's own Energy Department, the average national price at the pump is now over \$3 a gallon. We are facing the biggest price rise since Hurricane Katrina 11 months ago.

Yet this Republican Do-Nothing Congress, this Do-Nothing Congress is prepared to leave at the end of the week for a 5-week recess without passing any legislation that will help consumers with prices at the pump. What is the holdup—beside the giant heist of American people?

Why will House Republicans not work with us to hold Big Oil's feet to the fire for any price gouging that is now going on? Why will these House Republicans not join us in repealing \$20 billion in tax breaks and subsidies that they gave Big Oil last year? Why won't they join us in taking that money and investing in new energies of the future so we can end our dependence on foreign oil?

The answer, I think, has everything to do with their cozy relationship with Big Oil. It is no wonder that most people think that the letters GOP mean Gas, Oil and Petroleum.

Mr. Speaker, Americans have dealt with high gas prices all summer long. It is time this House started listening to their needs rather than the needs of the special interests in the gas and oil industry.

DO-NOTHING CONGRESS

(Ms. SCHAKOWSKY asked and was given permission to address the House for 1 minute.)

Ms. SCHAKOWSKY. Mr. Speaker, the Republican do-nothing Congress is unwilling to tackle the issues of importance to the American people. At a time when hardworking Americans are finding it more and more difficult to make ends meet, at a time when a weak economy is creating very few jobs, at a time when gas prices are at record levels, the Republican do-nothing Congress has frittered away scarce time on meaningless and divisive proposals that were never even intended to become law.

No wonder the American people are so disgusted with Washington. There is so much that this Congress should be doing, and yet the House Republicans refuse to act. We could raise the minimum wage for the first time in 9 years and give 7 million Americans a pay raise.

We could give the Federal Government the ability to negotiate prescription drugs on behalf of America's seniors in order to fill the gap in coverage that millions of seniors will soon face in their drug coverage. We could finally go after Big Oil and guarantee the American consumer is not to be gouged at the pump.

Mr. Speaker, there is a lot we could do. The problem is Republicans are out of ideas. It is time we lead America in a new direction.

OIL PRICES ARE A NATIONAL SECURITY ISSUE

(Mr. DAVIS of Tennessee asked and was given permission to address the House for 1 minute.)

Mr. DAVIS of Tennessee. Mr. Speaker, Congress cannot afford to wait another day to address our Nation's energy crisis. Record gas prices are not only causing pain for American consumers every time they pull up at the pump, but high prices are also seriously threatening our national security.

Consider \$5 a barrel increase for a barrel of oil. That translates into \$85 million that goes directly to Iran every week, which can then be sent to Hezbollah or to support the escalating sectarian violence in Iraq.

Neither the Bush administration nor congressional Republicans have done enough to wean us off foreign oil. For 5 years now, we have refused to come up with bold new ideas. Instead, their answer last year was to give oil and gas companies \$20 billion in tax breaks and subsidies.

The former top aide to Secretary of State Rice told The New York Times yesterday, I do not think any of us have done a terribly good job of thinking through, and how far behind the eight ball we are on these issues.

For 5 years now, Washington Republicans have been unwilling to think outside of the box for fear that they will irritate their special interest friends in Big Oil. I think it is time that we lead America in a new direction.

RAISE THE MINIMUM WAGE

(Mr. BERRY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BERRY. Mr. Speaker, as millions of Americans struggle to get by making the lowest real value minimum wage in 50 years, Republicans in this body are preparing to adjourn the House for a 5-week summer vacation without providing them with any financial relief.

Despite numerous attempts by the Democratic Members, Republicans still refuse to increase the minimum wage to a living wage. It is time for a new direction.

Six million people who would benefit from an increase in the minimum wage deserve better than a Congress that rewards the wealthiest while punishing those who need assistance the most and are willing to work for it. Eighty-six percent of Americans support increasing the minimum wage, because they know, just as Democrats in this body know, that it is simply wrong for a full-time worker with a full-time job to live in poverty in this great Nation.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, the Chair will postpone further proceedings today on motions to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 6 of rule XX.

Record votes on postponed questions will be taken later today.

NATIONAL SECURITY FOREIGN INVESTMENT REFORM AND STRENGTHENED TRANSPARENCY ACT OF 2006

Mr. OXLEY. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 5337) to ensure national security while promoting foreign investment and the creation and maintenance of jobs, to reform the process by which such investments are examined for any effect they may have on national security, to establish the Committee on Foreign Investment in the United States, and for other purposes, as amended.

The Clerk read as follows:

H.R. 5337

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "National Security Foreign Investment Reform and Strengthened Transparency Act of 2006".

SEC. 2. UNITED STATES SECURITY IMPROVEMENT AMENDMENTS; CLARIFICATION OF REVIEW AND INVESTIGATION PROCESS.

Section 721 of the Defense Production Act of 1950 (50 U.S.C. App. 2170) is amended by striking subsections (a) and (b) and inserting the following new subsections:

“(a) DEFINITIONS.—For purposes of this section, the following definitions shall apply:

“(1) COMMITTEE.—The term ‘Committee’ means the Committee on Foreign Investment in the United States.

“(2) CONTROL.—The term ‘control’ has the meaning given to such term in regulations which the Committee shall prescribe.

“(3) COVERED TRANSACTION.—The term ‘covered transaction’ means any merger, acquisition, or takeover by or with any foreign person which could result in foreign control of any person engaged in interstate commerce in the United States.

“(4) FOREIGN GOVERNMENT-CONTROLLED TRANSACTION.—The term ‘foreign government-controlled transaction’ means any covered transaction that could result in the control of any person engaged in interstate commerce in the United States by a foreign government or an entity controlled by or acting on behalf of a foreign government.

“(5) CLARIFICATION.—The term ‘national security’ shall be construed so as to include those issues relating to ‘homeland security’, including its application to critical infrastructure.

“(b) NATIONAL SECURITY REVIEWS AND INVESTIGATIONS.—

“(1) NATIONAL SECURITY REVIEWS.—

“(A) IN GENERAL.—Upon receiving written notification under subparagraph (C) of any covered transaction, or on a motion made under subparagraph (D) with respect to any covered transaction, the President, acting through the Committee, shall review the covered transaction to determine the effects on the national security of the United States.

“(B) CONTROL BY FOREIGN GOVERNMENT.—If the Committee determines that the covered transaction is a foreign government-controlled transaction, the Committee shall conduct an investigation of the transaction under paragraph (2).

“(C) WRITTEN NOTICE.—

“(i) IN GENERAL.—Any party to any covered transaction may initiate a review of the transaction under this paragraph by submitting a written notice of the transaction to the Chairperson of the Committee.

“(ii) WITHDRAWAL OF NOTICE.—No covered transaction for which a notice was submitted under clause (i) may be withdrawn from review unless—

“(I) a written request for such withdrawal is submitted by any party to the transaction; and

“(II) the request is approved in writing by the Chairperson, in consultation with the Vice Chairpersons, of the Committee.

“(iii) CONTINUING DISCUSSIONS.—The approval of a withdrawal request under clause (ii) shall not be construed as precluding any party to the covered transaction from continuing informal discussions with the Committee or any Committee member regarding possible resubmission for review pursuant to this paragraph.

“(D) UNILATERAL INITIATION OF REVIEW.—The President, the Committee, or any member of the Committee may move to initiate a review under subparagraph (A) of—

“(i) any covered transaction;

“(ii) any covered transaction that has previously been reviewed or investigated under this section, if any party to the transaction submitted false or misleading material information to the Committee in connection with the review or investigation or omitted material information, including material documents, from information submitted to the Committee; or

“(iii) any covered transaction that has previously been reviewed or investigated under this section, if any party to the transaction or the entity resulting from consummation of the transaction intentionally materially

breaches a mitigation agreement or condition described in subsection (1)(1)(A), and—

“(I) such breach is certified by the lead department or agency monitoring and enforcing such agreement or condition as an intentional material breach; and

“(II) such department or agency certifies that there is no other remedy or enforcement tool available to address such breach.

“(E) TIMING.—Any review under this paragraph shall be completed before the end of the 30-day period beginning on the date of the receipt of written notice under subparagraph (C) by the Chairperson of the Committee, or the date of the initiation of the review in accordance with a motion under subparagraph (D).

“(2) NATIONAL SECURITY INVESTIGATIONS.—

“(A) IN GENERAL.—In each case in which—

“(i) a review of a covered transaction under paragraph (1) results in a determination that—

“(I) the transaction threatens to impair the national security of the United States and that threat has not been mitigated during or prior to the review of a covered transaction under paragraph (1); or

“(II) the transaction is a foreign government-controlled transaction;

“(ii) a roll call vote pursuant to paragraph (3)(A) in connection with a review under paragraph (1) of any covered transaction results in at least 1 vote by a Committee member against approving the transaction; or

“(iii) the Director of National Intelligence identifies particularly complex intelligence concerns that could threaten to impair the national security of the United States and Committee members were not able to develop and agree upon measures to mitigate satisfactorily those threats during the initial review period under paragraph (1),

the President, acting through the Committee, shall immediately conduct an investigation of the effects of the transaction on the national security of the United States and take any necessary actions in connection with the transaction to protect the national security of the United States.

“(B) TIMING.—

“(i) IN GENERAL.—Any investigation under subparagraph (A) shall be completed before the end of the 45-day period beginning on the date of the investigation commenced.

“(ii) EXTENSIONS OF TIME.—The period established under subparagraph (B) for any investigation of a covered transaction may be extended with respect to any particular investigation by the President or by a rollcall vote of at least 2/3 of the members of the Committee involved in the investigation by the amount of time specified by the President or the Committee at the time of the extension, not to exceed 45 days, as necessary to collect and fully evaluate information relating to—

“(I) the covered transaction or parties to the transaction; and

“(II) any effect of the transaction that could threaten to impair the national security of the United States.

“(3) APPROVAL OF CHAIRPERSON AND VICE CHAIRPERSONS REQUIRED.—

“(A) IN GENERAL.—A review or investigation under this subsection of a covered transaction shall not be treated as final or complete until the findings and the report resulting from such review or investigation are approved by a majority of the members of the Committee in a roll call vote and signed by the Secretary of the Treasury, the Secretary of Homeland Security, and the Secretary of Commerce (and such authority of each such Secretary may not be delegated to any person other than the Deputy Secretary of the Treasury, the Deputy Secretary of Homeland Security, or the Deputy Secretary of Commerce, respectively).

“(B) ADDITIONAL ACTION REQUIRED IN CERTAIN CASES.—In the case of any roll call vote pursuant to subparagraph (A) in connection with an investigation under paragraph (2) of any foreign government-controlled transaction in which there is at least 1 vote by a Committee member against approving the transaction, the investigation shall not be treated as final or complete until the findings and report resulting from such investigation are signed by the President (in addition to the Chairperson and the Vice Chairpersons of the Committee under subparagraph (A)).

“(4) ANALYSIS BY DIRECTOR OF NATIONAL INTELLIGENCE.—

“(A) IN GENERAL.—The Director of National Intelligence shall expeditiously carry out a thorough analysis of any threat to the national security of the United States of any covered transaction, including making requests for information to the Director of the Office of Foreign Assets Control within the Department of the Treasury and the Director of the Financial Crimes Enforcement Network. The Director of National Intelligence also shall seek and incorporate the views of all affected or appropriate intelligence agencies.

“(B) 30-DAY MINIMUM.—The Director of National Intelligence shall be provided no less than 30 days to complete the analysis required under subparagraph (A), except in any instance described in paragraph (2)(A)(iii).

“(C) INDEPENDENT ROLE OF DIRECTOR.—The Director of National Intelligence shall not be a member of the Committee and shall serve no policy role with the Committee other than to provide analysis under subparagraph (A) in connection with a covered transaction.

“(5) RESUBMITTALS OF NOTICE AND REQUESTS FOR ADDITIONAL REVIEW OR INVESTIGATION.—

“(A) IN GENERAL.—No provision of this subsection shall be construed as prohibiting any party to a covered transaction from—

“(i) submitting additional information concerning the transaction, including any proposed restructuring of the transaction or any modifications to any agreements in connection with the transaction, while any review or investigation of the transaction is on-going; or

“(ii) requesting a review or investigation of the transaction after any previous review or investigation of the same or a similar transaction has become final if information material to the prior review or investigation and not previously submitted to the Committee becomes known or if any material change in circumstances to the covered transaction has occurred since the review or investigation.

“(B) APPROVAL OF REQUEST.—In the case of a request referred to in subparagraph (A)(ii), the Committee shall determine by consensus whether to grant a request.

“(6) REGULATIONS.—Regulations prescribed under this section shall include standard procedures for—

“(A) submitting any notice of a proposed or pending covered transaction to the Committee;

“(B) submitting a request to withdraw a proposed or pending covered transaction from review; and

“(C) resubmitting a notice of proposed or pending covered transaction that was previously withdrawn from review.”

SEC. 3. STATUTORY ESTABLISHMENT OF THE COMMITTEE ON FOREIGN INVESTMENT IN THE UNITED STATES.

(a) IN GENERAL.—Section 721 of the Defense Production Act of 1950 (50 U.S.C. App. 2170) is amended by striking subsection (k) and inserting the following new subsection:

“(k) COMMITTEE ON FOREIGN INVESTMENT IN THE UNITED STATES.—

“(1) ESTABLISHMENT.—The Committee on Foreign Investment in the United States established pursuant to Executive Order No. 11858 shall be a multi-agency committee to carry out this section and such other assignments as the President may designate.

“(2) MEMBERSHIP.—The Committee shall be comprised of the following members or the designee of any such member:

“(A) The Secretary of the Treasury.

“(B) The Secretary of Homeland Security.

“(C) The Secretary of Commerce.

“(D) The Secretary of Defense.

“(E) The Secretary of State.

“(F) The Attorney General.

“(G) The Secretary of Energy.

“(H) The Chairman of the Council of Economic Advisors.

“(I) The United States Trade Representative.

“(J) The Director of the Office of Management and Budget.

“(K) The Director of the National Economic Council.

“(L) The Director of the Office of Science and Technology Policy.

“(M) The President's Assistant for National Security Affairs.

“(N) Any other designee of the President from the Executive Office of the President.

“(3) CHAIRPERSON; VICE CHAIRPERSONS.—The Secretary of the Treasury shall be the Chairperson of the Committee. The Secretary of Homeland Security and the Secretary of Commerce shall be the Vice Chairpersons of the Committee.

“(4) OTHER MEMBERS.—Subject to subsection (b)(4)(B), the Chairperson of the Committee shall involve the heads of such other Federal departments, agencies, and independent establishments in any review or investigation under subsection (b) as the Chairperson, after consulting with the Vice Chairpersons, determines to be appropriate on the basis of the facts and circumstances of the transaction under investigation (or the designee of any such department or agency head).

“(5) MEETINGS.—The Committee shall meet upon the direction of the President or upon the call of the Chairperson of the Committee without regard to section 552b of title 5, United States Code (if otherwise applicable).

“(6) COLLECTION OF EVIDENCE.—Subject to subsection (c), the Committee may, for the purpose of carrying out this section—

“(A) sit and act at such times and places, take such testimony, receive such evidence, administer such oaths; and

“(B) require the attendance and testimony of such witnesses and the production of such books, records, correspondence, memoranda, papers, and documents as the Chairperson of the Committee may determine advisable.

“(7) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary of the Treasury for each of fiscal years 2007, 2008, 2009, and 2010, expressly and solely for the operations of the Committee that are conducted by the Secretary, the sum of \$10,000,000.”

(b) TECHNICAL AND CONFORMING AMENDMENT.—The first sentence of section 721(c) of the Defense Production Act of 1950 (50 U.S.C. App. 2170(c)) is amended—

(1) by striking “material filed with” and inserting “material, including proprietary business information, filed with, or testimony presented to,”; and

(2) by striking “or documentary material” the 2nd place such term appears and inserting “, documentary material, or testimony”.

SEC. 4. ADDITIONAL FACTORS REQUIRED TO BE CONSIDERED.

Section 721(f) of the Defense Production Act of 1950 (50 U.S.C. App. 2170(f)) is amended—

(1) in the matter preceding paragraph (1)—

(A) by striking “may” and inserting “shall”; and

(B) by striking “among other factors”;

(2) by striking “and” at the end of paragraph (4);

(3) by striking the period at the end of paragraph (5) and inserting a semicolon; and

(4) by adding at the end the following new paragraphs:

“(6) whether the covered transaction has a security-related impact on critical infrastructure in the United States;

“(7) whether the covered transaction is a foreign government-controlled transaction; and

“(8) such other factors as the President or the President's designee may determine to be appropriate, generally or in connection with a specific review or investigation.”.

SEC. 5. NONWAIVER OF SOVEREIGN IMMUNITY.

Section 721(d) of the Defense Production Act of 1950 (50 U.S.C. App. 2170(d)) is amended by adding at the end the following new sentence: “The United States shall not be held liable for any losses or other expenses incurred by any party to a covered transaction as a result of actions taken under this section after a covered transaction has been consummated if the party did not submit a written notice of the transaction to the Chairperson of the Committee under subsection (b)(1)(C) or did not wait until the completion of any review or investigation under subsection (b), or the end of the 15-day period referred to in this subsection, before consummating the transaction.”.

SEC. 6. MITIGATION, TRACKING, AND POST-CONSUMMATION MONITORING AND ENFORCEMENT.

Section 721 of the Defense Production Act of 1950 (50 U.S.C. App. 2170) is amended by inserting after subsection (k) (as amended by section 3 of this Act) the following new subsection:

“(l) MITIGATION, TRACKING, AND POSTCONSUMMATION MONITORING AND ENFORCEMENT.—

“(1) MITIGATION.—

“(A) IN GENERAL.—The Committee or any agency designated by the Chairperson and Vice Chairpersons may negotiate, enter into or impose, and enforce any agreement or condition with any party to a covered transaction in order to mitigate any threat to the national security of the United States.

“(B) RISK-BASED ANALYSIS REQUIRED.—Any agreement entered into or condition imposed under subparagraph (A) shall be based on a risk-based analysis of the threat to national security of the covered transaction.

“(2) TRACKING AUTHORITY FOR WITHDRAWN NOTICES.—

“(A) IN GENERAL.—If any written notice of a covered transaction that was submitted to the Committee under this section is withdrawn before any review or investigation by the Committee under subsection (b) is completed, the Committee shall establish, as appropriate—

“(i) interim protections to address specific concerns with such transaction that have been raised in connection with any such review or investigation pending any resubmission of any written notice under this section with respect to such transaction and further action by the President under this section;

“(ii) specific timeframes for resubmitting any such written notice; and

“(iii) a process for tracking any actions that may be taken by any party to the transaction, in connection with the transaction, before the notice referred to in clause (ii) is resubmitted.

“(B) DESIGNATION OF AGENCY.—The Committee may designate an appropriate Federal department or agency, other than any entity of the intelligence community (as defined in

the National Security Act of 1947), as the lead agency to carry out the requirements of subparagraph (A) with respect to any covered transaction that is subject to such subparagraph.

“(3) NEGOTIATION, MODIFICATION, MONITORING, AND ENFORCEMENT.—

“(A) DESIGNATION OF AGENCY.—The Committee shall designate a Federal department or agency as the lead agency to negotiate, modify, monitor, and enforce any agreement entered into or condition imposed under paragraph (1) with respect to a covered transaction based on the expertise with and knowledge of the issues related to such transaction on the part of the designated department or agency.

“(B) REPORTING BY DESIGNATED AGENCY.—

“(i) IMPLEMENTATION REPORTS.—The Federal department or agency designated by the Committee as a lead agency under subparagraph (A) in connection with any agreement entered into or condition imposed under paragraph (1) with respect to a covered transaction shall—

“(I) provide periodic reports to the Chairperson and Vice Chairpersons of the Committee on the implementation of such agreement or condition; and

“(II) require, as appropriate, any party to the covered transaction to report to the head of such department or agency (or the designee of such department or agency head) on the implementation or any material change in circumstances.

“(ii) MODIFICATION REPORTS.—The Federal department or agency designated by the Committee as a lead agency under subparagraph (A) in connection with any agreement entered into or condition imposed with respect to a covered transaction shall—

“(I) provide periodic reports to the Chairperson and Vice Chairpersons of the Committee on any modification to any such agreement or condition imposed with respect to the transaction; and

“(II) ensure that any significant modification to any such agreement or condition is reported to the Director of National Intelligence and to any other Federal department or agency that may have a material interest in such modification.”.

SEC. 7. INCREASED OVERSIGHT BY THE CONGRESS.

(a) REPORT ON ACTIONS.—Section 721(g) of the Defense Production Act of 1950 (50 U.S.C. App. 2170) is amended to read as follows:

“(g) REPORTS TO THE CONGRESS.—

“(1) REPORTS ON COMPLETED COMMITTEE INVESTIGATIONS.—

“(A) IN GENERAL.—Not later than 5 days after the completion of a Committee investigation of a covered transaction under subsection (b)(2), or, if the President indicates an intent to take any action authorized under subsection (d) with respect to the transaction, after the end of 15-day period referred to in subsection (d), the Chairperson or a Vice Chairperson of the Committee shall submit a written report on the findings or actions of the Committee with respect to such investigation, the determination of whether or not to take action under subsection (d), an explanation of the findings under subsection (e), and the factors considered under subsection (f), with respect to such transaction, to—

“(i) the Majority Leader and the Minority Leader of the Senate;

“(ii) the Speaker and the Minority Leader of the House of Representatives; and

“(iii) the chairman and ranking member of each committee of the House of Representatives and the Senate with jurisdiction over any aspect of the covered transaction and its possible effects on national security, including the Committee on International Relations, the Committee on Financial Services,

and the Committee on Energy and Commerce of the House of Representatives.

“(B) NOTICE AND BRIEFING REQUIREMENT.—If a written request for a briefing on a covered transaction is submitted to the Committee by any Senator or Member of Congress who receives a report on the transaction under subparagraph (A), the Chairperson or a Vice Chairperson (or such other person as the Chairperson or a Vice Chairperson may designate) shall provide 1 classified briefing to each House of the Congress from which any such briefing request originates in a secure facility of appropriate size and location that shall be open only to the Majority Leader and the Minority Leader of the Senate, the Speaker and the Minority Leader of the House of Representatives, (as the case may be) the chairman and ranking member of each committee of the House of Representatives or the Senate (as the case may be) with jurisdiction over any aspect of the covered transaction and its possible effects on national security, including the Committee on International Relations, the Committee on Financial Services, and the Committee on Energy and Commerce of the House of Representatives, and appropriate staff members who have security clearance.

“(2) APPLICATION OF OTHER PROVISION.—

“(A) IN GENERAL.—The disclosure of information under this subsection shall be consistent with the requirements of subsection (c). Members of Congress and staff of either House or any committee of the Congress shall be subject to the same limitations on disclosure of information as are applicable under such subsection.

“(B) PROPRIETARY INFORMATION.—Proprietary information which can be associated with a particular party to a covered transaction shall be furnished in accordance with subparagraph (A) only to a committee of the Congress and only when the committee provides assurances of confidentiality, unless such party otherwise consents in writing to such disclosure.”.

(b) SEMI-ANNUAL REPORT.—Section 721 of the Defense Production Act of 1950 (50 U.S.C. App. 2170) is amended by inserting after subsection (l) (as added by section 6 of this Act) the following new subsection:

“(m) SEMI-ANNUAL REPORT TO THE CONGRESS.—

“(1) IN GENERAL.—The Chairperson of the Committee shall transmit a report to the chairman and ranking member of each committee of the House of Representatives and the Senate with jurisdiction over any aspect of the report, including the Committee on International Relations, the Committee on Financial Services, and the Committee on Energy and Commerce of the House of Representatives, before January 31 and July 31 of each year on all the reviews and investigations of covered transactions conducted under subsection (b) during the 6-month period covered by the report.

“(2) CONTENTS OF REPORT RELATING TO COVERED TRANSACTIONS.—The report under paragraph (1) shall contain the following information with respect to each covered transaction:

“(A) A list of all notices filed and all reviews or investigations conducted during the period with basic information on each party to the transaction, the nature of the business activities or products of all pertinent persons, along with information about the status of the review or investigation, information on any withdrawal from the process, any rollcall votes by the Committee under this section, any extension of time for any investigation, and any presidential decision or action under this section.

“(B) Specific, cumulative, and, as appropriate, trend information on the numbers of filings, investigations, withdrawals, and

presidential decisions or actions under this section.

“(C) Cumulative and, as appropriate, trend information on the business sectors involved in the filings which have been made, and the countries from which the investments have originated.

“(D) Information on whether companies that withdrew notices to the Committee in accordance with subsection (b)(1)(C)(ii) have later re-filed such notices, or, alternatively, abandoned the transaction.

“(E) The types of security arrangements and conditions the Committee has used to mitigate national security concerns about a transaction.

“(F) A detailed discussion of all perceived adverse effects of covered transactions on the national security or critical infrastructure of the United States that the Committee will take into account in its deliberations during the period before delivery of the next such report, to the extent possible.

“(3) CONTENTS OF REPORT RELATING TO CRITICAL TECHNOLOGIES.—

“(A) IN GENERAL.—In order to assist the Congress in its oversight responsibilities with respect to this section, the President and such agencies as the President shall designate shall include in the semi-annual report submitted under paragraph (1) the following:

“(i) An evaluation of whether there is credible evidence of a coordinated strategy by 1 or more countries or companies to acquire United States companies involved in research, development, or production of critical technologies for which the United States is a leading producer.

“(ii) An evaluation of whether there are industrial espionage activities directed or directly assisted by foreign governments against private United States companies aimed at obtaining commercial secrets related to critical technologies.

“(B) CRITICAL TECHNOLOGIES DEFINED.—For purposes of this paragraph, the term ‘critical technologies’ means technologies identified under title VI of the National Science and Technology Policy, Organization, and Priorities Act of 1976 or other critical technology, critical components, or critical technology items essential to national defense or national security identified pursuant to this section.

“(C) RELEASE OF UNCLASSIFIED STUDY.—That portion of the semi-annual report under paragraph (1) that is required by this paragraph may be classified. An unclassified version of that portion of the report shall be made available to the public.”.

(c) INVESTIGATION BY INSPECTOR GENERAL.—

(1) IN GENERAL.—The Inspector General of the Department of the Treasury shall conduct an independent investigation to determine all of the facts and circumstances concerning each failure of the Department of the Treasury to make any report to the Congress that was required under section 721(k) of the Defense Production Act of 1950 (as in effect before the date of the enactment of this Act).

(2) REPORT TO THE CONGRESS.—Before the end of the 270-day period beginning on the date of the enactment of this Act, the Inspector General of the Department of the Treasury shall submit a report to the chairman and ranking member of each committee of the House of Representatives and the Senate with jurisdiction over any aspect of the report, including the Committee on International Relations, the Committee on Financial Services, and the Committee on Energy and Commerce of the House of Representatives, on the investigation under paragraph (1) containing the findings and conclusions of the Inspector General.

(d) STUDY AND REPORT.—

(1) STUDY REQUIRED.—Before the end of the 120-day period beginning on the date of the enactment of this Act, the Secretary of the Treasury, in consultation with the Secretary of State and the Secretary of Commerce, shall conduct a study on investments in the United States, especially investments in critical infrastructure and industries affecting national security, by—

(A) foreign governments, entities controlled by or acting on behalf of a foreign government, or persons of foreign countries which comply with any boycott of Israel; or

(B) foreign governments, entities controlled by or acting on behalf of a foreign government, or persons of foreign countries which do not ban organizations designated by the Secretary of State as foreign terrorist organizations.

(2) REPORT.—Before the end of the 30-day period beginning upon completion of the study under paragraph (1) or in the next semi-annual report under section 721(m) of the Defense Production Act of 1950 (as added by subsection (b)), the Secretary of the Treasury shall submit a report to the Congress, for transmittal to all appropriate committees of the Senate and the House of Representatives, containing the findings and conclusions of the Secretary with respect to the study, together with an analysis of the effects of such investment on the national security of the United States and on any efforts to address those effects.

SEC. 8. CERTIFICATION OF NOTICES AND ASSURANCES.

Section 721 of the Defense Production Act of 1950 (50 U.S.C. App. 2170) is amended by inserting after subsection (m) (as added by section 7(b) of this Act) the following new subsection:

“(n) CERTIFICATION OF NOTICES AND ASSURANCES.—Each notice required to be submitted, by a party to a covered transaction, to the President or the President’s designee under this section and regulations prescribed under such section, and any information submitted by any such party in connection with any action for which a report is required pursuant to paragraph (3)(B)(ii) of subsection (1) with respect to the implementation of any mitigation agreement or condition described in paragraph (1)(A) of such subsection, or any material change in circumstances, shall be accompanied by a written statement by the chief executive officer or the designee of the person required to submit such notice or information certifying that, to the best of the person’s knowledge and belief—

“(1) the notice or information submitted fully complies with the requirements of this section or such regulation, agreement, or condition; and

“(2) the notice or information is accurate and complete in all material respects.”.

SEC. 9. REGULATIONS.

Section 721(h) of the Defense Production Act of 1950 (50 U.S.C. App. 2170(h)) is amended to read as follows:

“(h) REGULATIONS.—The President shall direct the issuance of regulations to carry out this section. Such regulations shall, to the extent possible, minimize paperwork burdens and shall to the extent possible coordinate reporting requirements under this section with reporting requirements under any other provision of Federal law.”.

SEC. 10. EFFECT ON OTHER LAW.

Section 721(i) of the Defense Production Act of 1950 (50 U.S.C. App. 2170(i)) is amended to read as follows:

“(i) EFFECT ON OTHER LAW.—No provision of this section shall be construed as altering or affecting any other authority, process, regulation, investigation, enforcement measure, or review provided by or established

under any other provision of Federal law, including the International Emergency Economic Powers Act, or any other authority of the President or the Congress under the Constitution of the United States.”.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Ohio (Mr. OXLEY) and the gentlewoman from New York (Mrs. MALONEY) each will control 20 minutes.

The Chair recognizes the gentleman from Ohio.

GENERAL LEAVE

Mr. OXLEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on this legislation and to insert extraneous material thereon.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. OXLEY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise today to urge all Members to support H.R. 5337, the National Security FIRST Act, which makes important reforms to the process by which the Committee on Foreign Investment of the United States scrutinizes purchases of U.S. businesses by foreign ones, to ensure that there is no threat to national security.

As we consider this legislation, we must remember that the result of foreign investment in the United States has been spectacular. U.S. subsidiaries of foreign-owned companies employ nearly 5½ million Americans. The average salary for those workers is a healthy \$60,000 and a third of those jobs are in manufacturing.

At a time when we are concerned about our balance of trade, it is important to note that more than 20 percent of U.S. exports are produced by U.S. subsidiaries of foreign companies. Mr. Speaker, we all know why we are here today.

Congress and the country went through a very difficult period this spring after we learned about the Dubai Ports sale.

□ 1245

As a response, in one of the best examples of bipartisanship I have seen in my tenure here, H.R. 5337 was introduced by Majority Whip BLUNT, Chairwoman PRYCE, Mrs. MALONEY and Mr. CROWLEY and now has nearly 90 cosponsors. It is a very good bill that addresses what some see as flaws in the CFIUS process without creating new problems or barriers to investment.

I would particularly like to compliment Chairwoman PRYCE for her leadership on this complex issue. In three very thorough hearings, she made certain, ky018 members were well-versed in the details of the CFIUS process before any legislating was done. The result was a unanimous 64-0 vote for passage in the Financial Services Committee.

The language we are considering today is nearly identical, with a man-

ager's amendment that makes only a few changes made to further strengthen the process. Among those changes are the addition of Commerce Secretary as a second Vice Chair of CFIUS; the addition of the Energy Secretary to CFIUS itself; clarification that CFIUS reviews are to be done to determine the effects of a transaction on national security; the requirement that the 30-day review period end with a roll call vote, with any single dissenting vote sending the transaction into the 45-day investigative period; and further clarification of the role of the Director of National Intelligence in the CFIUS process.

Mr. Speaker, what we need to accomplish is to strengthen the national security in two ways: by increasing administration accountability and by improving the ability of Congress to perform necessary oversight. This bill does both. The result will be a process that stops what should be disapproved and gives a green light to what should be approved, including, of course, any modifications needed to protect against the loss of the defense industrial base or a critical technology.

This is a strong and effective bill here that corrects exactly what was wrong with the CFIUS process without overreaching and causing further problems. It continues to give CFIUS the flexibility to exercise discretion, allowing it to focus on investments that raise national security concerns. I do not and will not support some of the other proposals that have been put forward, such as any additional time delays or directly involving Congress in the decisionmaking process. I believe we need to take great care to refrain from inserting politics into the consideration process, and that goal has been achieved here.

Mr. Speaker, we must protect our national security, but national security includes economic security. Let's remember that it is our economic security and prosperity that give us the resources to provide adequately for our internal and external defenses. We simply must not drive off those who want to make the wise investment in our great economy.

Our friends in the other body should understand that no bill would be a preferable alternative to a bad bill, and we in the House will not sacrifice American prosperity and job growth when there is no real improvement to American security.

Mr. Speaker, this is an excellent bill; and I think the CFIUS process and our national security would be improved by enacting it exactly as written.

Mr. Speaker, I reserve the balance of my time.

Mrs. MALONEY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am delighted to join my colleagues, Representatives OXLEY, PRYCE, CROWLEY and Majority Whip BLUNT in bipartisan support of H.R. 5337, the National Security FIRST Act.

After the Dubai Ports World disaster, it was clear that there was a pressing

need to reform the process by which the United States Government reviews foreign acquisitions of businesses in the United States for national security threats, the Committee for Foreign Investment in the United States, or CFIUS.

This bill was unanimously approved by the Financial Services Committee and has received strong bipartisan support in the Homeland Security Committee. It also reflects the input of the Energy and Commerce, Armed Services and International Relations Committees.

We have all worked hard together to achieve a strong and sensible bill, and I would like to thank the members and staff of these committees as well as my own staff for their support and hard work.

H.R. 5337, the National Security FIRST Act, is widely recognized as a balanced approach which protects national security, first, while continuing to encourage safe and important foreign investment, to create American jobs and improve our economy.

Many observers, both domestic and foreign, think our bill has struck this balance successfully. The National Security FIRST Act incorporates and builds on a bipartisan bill I introduced earlier, based on reforms proposed by the General Accounting Office even before Dubai Ports World brought this issue into the spotlight. These recommendations of the GAO were obviously not knee-jerk reactions to the Dubai crisis but addressed structural problems in the CFIUS process and so provided a sound and farsighted basis for long-term reform.

This bill addresses three core issues.

First, the bill strengthens national security protections. All foreign government-controlled entities must go through a 45-day rigorous investigation in addition to the 30-day review. This is necessary because government-controlled entities could have agendas other than profit and can pay whatever they want to accomplish them. Private companies would not be able to compete.

To ensure greater accountability and better judgment, all reviews and investigations by CFIUS will require sign-off at the highest levels. The Secretary or Deputy Secretary of Treasury, Homeland Security and Commerce must sign the CFIUS recommendation. The Dubai Ports deal was approved by 12 people and agencies. No one had ever heard of these particular people. This bill makes Cabinet officers responsible to the American people for their decisions.

Also important, all reviews and investigations will be analyzed by the Director of National Intelligence, whose input is required under the bill.

For the first time, CFIUS will have a set of mandatory factors to consider in determining whether the purchase could affect national security, including whether it affects critical infrastructure such as ports, energy transmission or voting machines.

Second, the bill builds in congressional oversight by requiring twice-annual reporting to Congress of all completed actions by CFIUS. In order to ensure that this administration does not evade its responsibility by only reporting to one or two members, the bill specifies that both majority and minority members of the relevant committees will be notified.

Additionally, Congress would be notified promptly of any extensive investigation or transaction involving a foreign government purchase.

Involving Congress can help the CFIUS agencies be more aware of transactions that raise a red flag. For example, recently I wrote a letter to Secretary Snow urging CFIUS to review a transaction in which a company with strong Venezuelan ties acquired a major electronic voting company in the United States. Treasury says it is conducting a pre-review of whether the company is owned by the Venezuelan Government and whether the deal puts our electoral system at risk. Regardless of the outcome, this is a good example of why this bill is needed.

The third impact of the bill is to strengthen the CFIUS enforcement and monitoring systems. In many cases, the U.S. Government enters into a contract with a foreign purchaser to ensure U.S. Government concerns regarding national security are met. This bill strengthens these contracts and adds provisions to follow up on whether the foreign purchasers are complying.

Also, the bill provides for greater oversight of withdrawals from the CFIUS process. The GAO, the Government Accountability Office, noted a pattern of applicants withdrawing if they needed or received indications of concern and then going ahead with the flawed transaction anyway without the CFIUS approval. These off-the-radar deals pose great risk and great incentives, and we need to adopt better monitoring of them.

In sum, this bill is a sensible, balanced approach to making sure foreign acquisitions do not jeopardize our national security, while not killing foreign investment in our country. I urge my colleagues to support the bill. Ninety of our colleagues are cosponsors.

Mr. Speaker, I reserve the balance of my time.

Mr. OXLEY. Mr. Speaker, I am pleased now to yield 4 minutes to the gentleman from Missouri (Mr. BLUNT), the majority whip and the lead sponsor of this important legislation.

Mr. BLUNT. Mr. Speaker, I thank the chairman for yielding time and for the great work he has done on this bill, the work that his committee has done, particularly the work that Chairman PRYCE and her subcommittee has done not only to look at this bill carefully in hearings but have significant input and then crafting what a bill would look like that protects our country in a post-9/11 world but still also protects our economy and American companies and American pension plans and others

that invest in those companies. The tremendous efforts that Mrs. MALONEY has made and is making again today on the floor, as well as the efforts of Mr. CROWLEY, have all been significant in trying to take a problem and create the right solution. Chairman BARTON, Chairman KING, Chairman HOEKSTRA, all original cosponsors of the bill and who have all helped this bill as it worked its way through the process. Chairman HYDE and Chairman HUNTER had significant input. Certainly the ranking member of the Financial Services Committee, Mr. FRANK, had input and was very helpful in what I think is a product that we can be pleased with here, as was Mr. SMITH from Texas.

A few months ago, the country and, frankly, many Members, virtually everybody in the legislature, and even more frankly almost everybody in the administration, was surprised when the announcement was made that this particular decision had been made regarding one of our ports. That called attention to the fact that the CFIUS process was a process that might have worked well in a previous time, but the Committee on Foreign Investment in the United States was not designed to meet our time. The attacks on September 11 changed that. That world needs to be balanced with a global economy, where even if you don't know that you own stock in an American company that may be the subject of purchase, your pension plan may be very dependent on the value of that company.

So what this bill does, Mr. Speaker, is I think arrive at the right balance that, first and foremost, does protect our security but does that in a way that doesn't needlessly impact the value of American companies and American assets in the marketplace.

The points that have been made by the previous speakers are certainly the points that need to be made. Congress reaffirmed the intent of the Congress to look more carefully at companies that are owned by foreign governments in light of particularly some of the examples that have been given. The example that was just given by Mrs. MALONEY would be an example.

We have increased the accountability of CFIUS by establishing the process more fully in statute, by adding the Department of Homeland Security and the Secretary of Homeland Security, the Secretary of Commerce as vice chairmen. We have also added the Department of Energy to the committee and formalized the importance of each of the agencies in reaching a conclusion. We have increased congressional oversight and done the right things here.

I think the key to this legislation as it hopefully moves forward today is the tremendous bipartisan effort that has been made. If our colleagues approve this bill today, I know we all look forward to working with Senators SHELBY and SARBANES in conference and getting this problem solved in this Congress. We have a tough bill on the floor

today. We improve our security in the right way.

And, again, before, as I close, I would like to thank the staff that has worked so hard: Joe Pinder, Bob Foster, Jackie Moran, Sam Geduldig on my staff, and many other staffers on all of these committees whose chairmen have been mentioned who have worked this bill in a way that solves a complicated problem in the right way.

Mrs. MALONEY. Mr. Speaker, I yield 3½ minutes to the gentleman from Massachusetts (Mr. FRANK), ranking member of the Financial Services Committee.

□ 1300

Mr. FRANK of Massachusetts. Mr. Speaker, I thank the gentlewoman. She and the gentleman from New York (Mr. CROWLEY) and others on our committee on both sides of the aisle worked constructively on a good bill. I appreciate the kind words of the majority whip.

There was a threatening climate towards foreign direct investment a few months ago as a result of the reaction to the Dubai Ports. I thought it was a mistake to allow Dubai to be able to buy those ports, but I did think that the reaction against that threatened to jeopardize a very important source of support for the American economy, and that is foreign direct investment.

There was among some of our colleagues a kind of reaction to say, "We don't want them bringing their money in here and investing in America." That was unwise, and I think cooler heads on both sides of the aisle have prevailed, and we have a bill that recognizes that foreign direct investment, the foreign investment in building plants and running enterprises in America, is a good thing.

Many Americans complain when American corporations invest their money in physical facilities overseas. Well, it then does not make sense to complain about the reciprocal. Yes, we want to make sure that nothing is done that jeopardizes our security.

I think we have a bill today that improves the situation without any kind of drastic change of a sort that would have endangered foreign direct investment, and I have to say there was a terrible mistake made by the Bush administration, in my judgment, in not shutting down the Dubai Ports thing before we got to it.

I do think we should be very clear, though, we have to differentiate between laws which are badly administered and laws which are badly structured. We have had cases, in my view, where this administration has messed up on a number of occasions. I think they badly handled Katrina. They made a terrible mistake with Dubai, but if we were going to drastically wrench out of shape every law that this administration administers poorly, we would not be taking an August recess. That would keep us busier than we already are.

What we have to do is make a separation. We have to be able to differentiate between the incompetence of an

administration and a structural failing in the law.

Now, we have done that in this case. I understand the bipartisanship extends here to the restructuring, in a reasonable way, in the law and not to recognition in my part on the incompetency of the administration. I do not mean to include my colleagues in saying that, but I do think this is the principle we have tried to follow on our side.

When this administration messes something up, we should not overreact and wrench the structure out of shape. We should make those structural changes that might be called for. That is what we are doing here, and we are preserving the role that foreign direct investment can play in the United States. We can express the hope that this administration in its remaining time will not misadminister this as badly as they did before.

Mr. OXLEY. Mr. Speaker, I yield 3 minutes to the gentlewoman from Ohio (Ms. PRYCE), the chairman of the appropriate subcommittee who has shown enormous leadership on this issue.

Ms. PRYCE of Ohio. Mr. Speaker, I want to thank the chairman for yielding me the time and his invaluable leadership on this piece of legislation. His leadership led us very thoughtfully through this process, and we did not have a knee-jerk reaction that so often happens around here. Your valued experience and insights have made this much better legislation. Thank you.

Over the last few months, we have heard very much about CFIUS. Media reports of CFIUS transactions such as the Dubai Ports deal have given pause to most Americans and awakened this Congress to the need to reform the process of allowing foreign investment in the United States. Congress has taken a strong position on national security since 9/11, and this legislation updates CFIUS for a post-9/11 world where national security and homeland security need to be considered much more strongly than in years past. National security, however, is not mutually exclusive of economic security. This legislation strives to ensure national security while promoting the creation and maintenance of jobs.

This legislation institutes vice chair positions in CFIUS to be filled by the Secretary of Homeland Security and the Secretary of Commerce. We believe it shows how America continues to think globally for investment and locally for security.

While strengthening our security, we have also continued our work to strengthen our relationships and open markets with nations abroad. These countries have a growing appetite for foreign goods and products, American products and American investments.

American companies and brand names that we all recognize have grown exponentially because of these market openings, and growing American companies mean growing American jobs.

In Ohio, we have seen the benefits of open markets and foreign investment, welcoming into our communities Siemens, Sodexho, Honda, Lexis-Nexis, and many, many more.

Honda Motor Corporation has become the largest auto producer in Ohio beginning production in 1979 with an initial investment of \$35 million in Marysville, Ohio. To date, Honda's capital investment in Ohio tops \$6.3 billion over 26 years. Honda's North American plants purchased more than \$6.5 billion in parts from 150 different Ohio suppliers just in 2005. Honda's investment in the people of Ohio keeps approximately 8,500 people employed.

When a foreign company looks to invest in the U.S., they are looking to grow their business, and that equals growing jobs in the United States. The U.S. Commerce Department says that foreign firms doing business in the U.S. employed nearly 5.1 million employees in 2004, slightly less than one out of every 20 workers in the private sector.

This process of reforming CFIUS has the potential to undercut the United States' long-standing support for capital market access and the free movement of capital. Thanks to the chairman's leadership and a very thoughtful approach to this reform effort, I believe this legislation continues to focus our efforts in securing our Nation, while remaining committed to free trade as one of the greatest engines of prosperity.

In recent months, the Treasury Department has made strides in congressional notification of pending deals that could potentially affect national security, but that is simply not enough. This legislation ensures that a Dubai Ports World situation does not happen again in a post-9/11 world. When questions of national security or foreign government ownership arise, accountability is clear, and the transaction moved immediately to investigation.

The American people can feel confident that this legislation institutes the oversight and protections needed to determine if a foreign investment transaction is in the best interests of the United States' national security.

In a world intertwined by global companies, it is important we continue to protect U.S. national and economic security while promoting foreign investment. This issue touches every American who wants to know that each day they are safe.

I want to thank the chairman and Ranking Member FRANK, my good friend, Ranking Member MALONEY, our whip, Mr. BLUNT, and Representative CROWLEY and everyone who worked so hard on this, and I urge support.

Mrs. MALONEY. Mr. Speaker, I yield 3½ minutes to the gentleman from New York (Mr. CROWLEY) who has worked very hard on this bill.

(Mr. CROWLEY asked and was given permission to revise and extend his remarks.)

Mr. CROWLEY. Mr. Speaker, I thank the gentlewoman from New York for

yielding me the time, and I rise in strong support of this bipartisan piece of legislation.

I want to commend the work of Majority Whip BLUNT, a good friend, as well as Representative PRYCE and Representative MALONEY for their leadership of working on this legislation. I also want to recognize the outgoing chairman and my good friend, Mike Oxley, for all of his work on this and the many pieces of legislation we have worked together on in a bipartisan way, and particularly BARNEY FRANK, who saw through all of this, cut through the politics and right to the chase and worked very hard in seeing that this important bill passed today.

H.R. 5337 works to keep the flow of direct foreign investment in the U.S.A. strong while putting national security first. This is a good jobs bill, pro-business. It is pro-labor, and this bill does all things to help to secure our Nation, yet not stop investment here in the United States. I am pleased to say this bill enjoyed unanimous support in the Committee on Financial Services, passing on a 64-0 vote.

This bill enjoys the support of everyone from the Center for American Progress to the Chamber of Commerce.

This bill is about keeping the flow of foreign investment coming to the U.S. and not driving these funds and their subsequent jobs out of the country.

But H.R. 5337 includes new, tough safeguards put in place to ensure the security of America first. This entire legislative initiative, which has been pursued in a bipartisan fashion, is a result of the botched handling of the DPW transaction, the Dubai Ports deal. That transaction involved a government-owned company from Dubai buying into various port assets here in the United States.

As a result, a significant and appropriate focus of the committee has been to toughen the scrutiny for acquisitions by government-owned companies since some government-owned companies will make decisions based on government interests and not commercial interests. No job, no deal, no transaction is worth threatening the safety of Americans, and this bill puts those conditions in place. We all know this to be true, but being from New York City, it is even more true.

This bill will provide strong, new safeguards to ensure our Nation's security and protect critical infrastructure, but also continues to give CFIUS flexibility to exercise discretion, allowing CFIUS to focus on the deals that raise real national security issues and not get bogged down into those deals with no national security implications at all.

For example, this bill will allow CFIUS to go straight to an investigation phase if CFIUS so decides that the concerns are so serious as to merit this.

This is a good bill, protecting national security, guaranteeing the flow of direct foreign investment in the

U.S., and ensuring we will not have another Dubai Ports debacle, and I, therefore, urge its passage in the House today.

And finally, I understand the Senate is in the process of moving their bill forward, and I look forward to a constructive conference with the Senate, but this issue is far too important to compromise our national security or our Nation's economic security on backroom wheeling and dealing.

We, in the House, in a bipartisan manner, recognize the diligence that went into crafting this bill, and we will work for this to be the lead text in any conference.

The Senate bill does not meet our important threshold on national or economic security. This bill does, and I know we in House who have worked as hard as we have will fight in conference for a good bill or we will take no bill at all.

I urge a "yes" vote on this bill. It protects national security, enhances the ability of more foreign investment here in the U.S.A. and ensures the transparency of CFIUS.

Mr. OXLEY. Mr. Speaker, I yield 2 minutes to the gentleman from Florida (Mr. FOLEY), a distinguished member of the Ways and Means Committee.

Mr. FOLEY. Mr. Speaker, I thank the chairman for his work on this, as well as many, many others.

We know how we got here on this important bill, and it was the Dubai Ports deal. It shocked America, and it shocked me as a member of the Ways and Means Committee. Not that we were thumbing our noses at investors who would feel comfortable investing in the United States. That was not the question. It was not a question about our support for their efforts in the war on terrorism. We support their efforts.

But as was stated by Mr. CROWLEY, it was a foreign government, and foreign governments behave differently than foreign corporations. Corporations do not care about the politics. They care about the profits. Governments take a different view of the world and have to think of external and internal political calculations.

What startled me about the deal was the fact when then-Secretary of the Treasury, John Snow, appeared before our panel, when the news first broke about this transaction, when I asked him what was involved in the vetting process, he looked at me as if he had no idea about the transaction at all. Then we came to find out mid-level managers at the Department decided this on their own. They had not properly vetted it through the necessary agencies to ensure that we had covered the gamut of questions that may have arose from this transaction.

Fortunately, based on the leadership that has been displayed here in crafting this bill in a bipartisan fashion, we will now have a process by which we can analyze and investigate and give comfort to the American public that a transaction involving six

strategic ports or any other facility will have the proper authorities reviewing the intricacy of the details.

They always say the devil's in the details. In this transaction, we knew very little about the intentions of the port companies, their expansion capabilities, their leasehold interests, how they may be transferrable to other entities. We had a blank slate on which to review this transaction.

This bill brings to the floor and to the process transparency, clarity and an ability to tell our constituents we know the transaction.

Mrs. MALONEY. Mr. Speaker, may I inquire as to the time remaining.

The SPEAKER pro tempore. The gentlewoman from New York (Mrs. MALONEY) has 7 minutes remaining. The gentleman from Ohio (Mr. OXLEY) has 7 minutes remaining.

Mrs. MALONEY. Mr. Speaker, I yield 3 minutes to the gentlewoman from Illinois (Ms. SCHAKOWSKY).

Ms. SCHAKOWSKY. Mr. Speaker, I thank the gentlewoman for yielding, and I rise in support of H.R. 5337 and want to add some important history and context to our discussion.

The Omnibus Trade Act of 1988 was referred to the Committee on Energy and Commerce on which I sit. During its consideration, our committee produced the Exon-Florio provision which determines what can be bought in the United States by foreign entities, and it was included in the final version of the Omnibus Trade Act.

Exon-Florio authorized the President to suspend or prohibit the acquisition of a U.S. corporation by a foreign entity. Responsibility for executing Exon-Florio was delegated to the Committee on Foreign Investment in the United States, CFIUS, the interagency committee that was formed to protect the United States' economic well-being and national security.

□ 1315

In the past, the Energy and Commerce Committee has conducted numerous oversight hearings, aggressively evaluating how well CFIUS has complied with the requirements of Exon-Florio. When the Senate amended Exon-Florio and passed the Byrd amendment in 1993, members of Energy and Commerce were conferees for those provisions.

While I am pleased that the Energy and Commerce Committee conducted a hearing on CFIUS and considered it in open markup, and while we support the legislation, we are disappointed that a number of the provisions we added to the bill are not in the version we are considering today. These are matters of the utmost importance to our economic and national security. As we proceed, I encourage my colleagues to be vigilant and consider these matters carefully.

I look forward to continuing our work in the Committee on Energy and Commerce, consistent with its longstanding involvement with this issue,

and working with my other colleagues in the House who have also put much thought and effort into this legislation.

Mr. OXLEY. Mr. Speaker, I am now pleased to yield 2 minutes to the gentleman from Florida (Mr. STEARNS) of the aforementioned Energy and Commerce Committee.

(Mr. STEARNS asked and was given permission to revise and extend his remarks.)

Mr. STEARNS. Mr. Speaker, I rise, like my other colleagues, in support of H.R. 5337, the Reform of National Security Reviews of Foreign Direct Investments Act. Obviously, we all agree this is a bill that will strengthen the American economy by encouraging others to invest in America, while at the same time, fortifying our national security.

Myself and Ranking Member SCHAKOWSKY had a hearing dealing with this bill, which showed the importance of it. We had a very small part. I think the Department of Commerce is now co-vice chair in the bill, but I want to commend Mr. BLUNT for his leadership on this, and also for the continuing leadership of Chairman OXLEY, who did all the vitally important work for this. We had a very small part in it, my subcommittee, which is the Subcommittee on Commerce, Consumer Protection, and Trade.

We all know that open investment policy has made the United States a favorite destination for foreign direct investment, with over \$115 billion invested in 2004, supporting over 5 million American jobs found in every State of this union, from car manufacturing plants in Missouri to aircraft production in my home State of Florida.

This bill will ensure that the United States is and will remain the world's benchmark for open, transparent investment policy. This openness and this transparency in our vibrant markets at home has basically allowed American companies to export those principles abroad, principles that ultimately increase prosperity and, most importantly, encourage better acceptance of the democratic and free markets, principles that form the bedrock of the American way of life.

So, again, I support this bill, I urge my colleagues to do so, and I thank my colleague for the time.

Mrs. MALONEY. Mr. Speaker, I take this opportunity to thank Chairman OXLEY for his distinguished service to this body and to this country. He has been a very fine chairman of the Financial Services Committee, on which I serve. An example of his leadership is the bill that is before us today, which had very strong bipartisan input, was balanced, took into consideration concerns first of all for national security but also for the business community and all concerned.

In sum, the bill has over 90 cosponsors. It is a balanced approach, making sure that foreign acquisitions do not jeopardize our national security while continuing to encourage appropriate foreign investment.

Mr. Speaker, I reserve the balance of my time.

Mr. OXLEY. Mr. Speaker, I am now pleased to yield 1 minute to the distinguished chairman of the Armed Services Committee, the gentleman from California (Mr. HUNTER).

Mr. HUNTER. I thank the gentleman for yielding, and I just wanted to say that I am going to support this legislation. We have several important issues that we think were decided in the right way, particularly the one that gives the Secretary of Defense a veto of the process if he finds that national security interests are impaired or are affected. And that is very, very important to us.

There are several issues that we think still need to be resolved that are important to the Armed Services Committee, but we support the bill in terms of moving it forward into the conference and getting this very important legislation, intended to tighten up the CFIUS process, in place so that we can apply it to pending transactions.

So, Mr. Speaker, I intend to vote "yes" on this, but to work very closely with the gentleman from Ohio, my good friend, and with all the other Members who have been putting this legislation together as we move through conference to try to firm up a few other important defense issues as we go through the conference.

Mrs. MALONEY. Mr. Speaker, I do not have any further requests at this time, and I yield back the balance of my time and urge a "yes" vote.

Mr. OXLEY. Mr. Speaker, I will be brief. I do not think anybody could have predicted, certainly not me, that a few weeks after the firestorm that came about with the announcement of the Dubai Ports deal that we would be on the floor today debating legislation that was considered by our committee and others and passed in our committee overwhelmingly with a 64-0 bipartisan vote, with cooperation on both sides of the aisle, to deal with a real problem.

Even though I personally felt there was a great deal of overreaction about the Dubai Ports deal, the fact is that it revealed some very deep concerns that people like the gentleman from California had, and others, about how the CFIUS process works. We set about with great care, working with Mr. FRANK, our ranking member, Mrs. MALONEY and Mr. CROWLEY, to craft a bill under the guidance of Chairwoman PRYCE and Mr. BLUNT from Missouri, to craft a bill that met the balance, met the test of dealing with our very real concerns about national security and, at the same time, encouraging foreign investment into our country.

I have to say that of all the bills I have been involved in since I have been chairman, and, frankly, all the bills I have been involved in since I have been here in 25 years, this was one that gave me a great deal of satisfaction because it showed the legislative process at its very best, with input from people who

had a great deal of knowledge, who worked very hard on the issue, from the staff to the Members, to craft this legislation and stand here today, just a few weeks after that firestorm, with a product that is going to pass overwhelmingly in this House and that really says that this House, when we want to, can deal in a bipartisan way with some very difficult issues in a very professional manner.

Mr. FRANK of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. OXLEY. I will be glad to yield to my friend from Massachusetts.

Mr. FRANK of Massachusetts. Mr. Speaker, I would just like to note that I agree with what the chairman has just said. But this is not the first example of a bill coming out of the Financial Services Committee on a subject which could have been very contentious but, in fact, came to the floor in a form that reflected a very good process, a very open process, with hearings and subcommittee, committee markups, and full participation and, as a result, received overwhelming votes.

We saw this on the GSE bill, we saw it in the bill dealing with the extension of credit, called the FACT Act, and we have seen it on a number of bills, and the chairman deserves a great deal of credit on this. And as his career here draws to a close, I just want to note that this is a very good example of the chairman's willingness to help us bring out the best in ourselves in this process.

And he is correct, this could have been the source of a lot of demagoguery, a lot of political sniping, of frankly some destabilization to the economy because of the negative impact a badly handled bill could have had. So I just want to acknowledge that as the ranking member, it has been my privilege to work with the gentleman from Ohio, and this is only one of a series of bills where we have worked together, under his leadership, to take subjects that, as I said, could have been contentious and destabilizing, and brought the House a product with overwhelming support.

I thank the gentleman for yielding.

Mr. OXLEY. I can't match the eloquence of the gentleman from Massachusetts, so I yield back.

Mr. LANTOS. Mr. Speaker, I rise in support of H.R. 5337, the National Security Foreign Investment Reform and Strengthened Transparency Act of 2006.

As we have seen over the past year, greater oversight is needed regarding foreign investment in the United States. I have expressed serious concern regarding the acquisition of U.S. port operating companies by foreign companies. I want to commend Chairman OXLEY and Ranking Democratic Member FRANK for the work they have done to bring this legislation to the floor.

Mr. Speaker, I want to call attention to one critical issue, the acquisition of U.S. domestic oil companies by Russian firms with close ties to the Rus-

sian Government. News reports suggest that Russian oil interests seek to acquire U.S. pipelines and liquefied gas facilities in order to control the entire supply chain of Russian gas exports to the United States, from extraction to consumer sales and distribution. At the same time, however, Russia is preventing American and other foreign oil companies from acquiring more than a 49 percent stake in all but the country's smallest oil and gas fields.

This effort to gain political control of energy markets is not surprising, but it is totally unacceptable.

Acquisition by Russian firms of portions of our energy distribution system poses an extremely serious national security threat to the United States. Russian energy companies such as Gazprom and Rosneft are state-controlled entities and are not simply foreign-owned companies that act as independent commercial entities. These Russian energy firms are run by friends and former colleagues of Russian President Vladimir Putin and their officers include individuals who occupy high level positions in the Putin administration. For example, Rosneft Chairman Igor Sechin is Putin's Deputy Chief of Staff.

These state-dominated companies operate as tools of the Russian Government and the strategy to use Russia's vast oil and gas exports as an instrument of political and economic power. One needs to remember the problems faced earlier this year when Russian firms briefly cut off natural gas to Ukraine, and this irresponsible action raised serious concerns about political manipulation of Russian energy supplies throughout Western Europe.

Mr. Speaker, Putin effectively re-nationalized the Russian energy industry in 2003 by expropriating the assets of Russia's largest privately-owned energy company, Yukos, and by failing to pay appropriate compensation to its owners. Yukos shares were held by numerous United States citizens and shareholders, and they lost some \$6 billion.

Rosneft's acquisition of assets from Yukos, a publicly traded company, violated the basic norms of a free market. Public accounts of the transaction suggest that Rosneft's senior officers and directors, some of whom are senior officials of the Russian Government, personally profited from the theft of these assets through their involvement in a sham transaction. In that transaction, a front-company of unknown ownership acquired the assets at billions of dollars below their market value in a forced auction arranged by these very officials, who in turn secured the prompt transfer of these assets from the front-company to Rosneft—a sequence of events that has raised serious questions of corruption.

The Council on Foreign Relations recently released a report on Russia's slide toward authoritarianism that called the Russian Government's forced breakup of Yukos and the long-term

imprisonment of its senior officials on charges of tax evasion as "the most consequential single episode in the re-fashioning of the Russian state in this decade."

Mr. Speaker, I am pleased that the Financial Services Committee recognizes the seriousness of these issues. The Committee report on H.R. 5337 makes clear that the Congress expects the acquisitions of U.S. energy assets or companies by foreign governments or companies controlled by foreign governments will be reviewed closely for their national security impact. I fully endorse the Committee's view that Congress should continue its long-standing efforts to ensure that U.S. investors are treated fairly in foreign markets and that foreign governments honor their commitments in international agreements.

Mr. Speaker, I urge careful consideration of any future acquisition of U.S. oil interests by Russian firms, and I urge my colleagues to support this legislation.

Mr. BARTON of Texas. Mr. Speaker, I rise in support of H.R. 5337, the Reform of National Security Reviews of Foreign Direct Investment Act. I want more foreign investment in America, not less, but I do not want the kind that threatens our security. CFIUS exists to make the distinction, and we need to know that it's doing a good job.

We don't automatically fear foreign investors here in America. The money provided by foreign investors creates jobs, growth, and opportunity here at home. I just want to ensure the investment we attract does not jeopardize national security.

H.R. 5337 provides consistent criteria with appropriate discretion and will improve the review process without impairing our ability to attract significant and needed foreign investment.

Mr. Speaker, the Energy and Commerce Committee shares jurisdiction over this matter and we marked up the bill in my Committee with some changes. While the amended bill we are considering today contains some differences than the version my Committee reported, I support it. Importantly, it provides for mandatory review of foreign government-controlled transactions. Additionally, it provides clear and consistent review criteria for all other commercial investments, it adds the Secretary of Energy to the Committee, and it makes the Secretary of Commerce a co-vice chair of the Committee. Most important, it adds transparency in the process for Congressional oversight and establishes new reporting requirements many of us feel are essential to this process.

I support H.R. 5337 and urge my colleagues to approve the measure.

Mr. THOMPSON of Mississippi. Mr. Speaker, I stand here today as Ranking Member of the Committee on Homeland Security in support of H.R. 5337, the Reform of National Security Reviews of Foreign Investments Act. This bill provides needed reform by formalizing and streamlining the structure and duties of the Committee on Foreign Investment in the United States (CFIUS). Indeed, this bill addresses many of the concerns raised about CFIUS during the past 6 months, especially its current lack of transparency and oversight.

This bill rectifies these concerns by formally establishing CFIUS, its membership, streamlines how and when a CFIUS review will be conducted.

Mr. Speaker, the bill formalizes the CFIUS membership and requires the following to serve: (1) Secretaries of Treasury, Homeland Security, Commerce, Defense, State, and Energy; (2) Attorney General; Chair of the Council of Economic Advisors; the U.S. Trade Representative; Director of Office of Management and Budget; Director of National Economic Council; and (3) The Director of Office of Science and Technology Policy; the President's assistant for national security affairs; and any other designee of the President from the Executive Office.

Under this bill, the Treasury Department will be the Chair with the Secretaries of Commerce and Homeland Security as the Vice Chairs. CFIUS will conduct a review of any national security related business transaction in which the outcome could result in foreign control of any business engaged in interstate commerce in the U.S. After reviewing the proposed business transaction, CFIUS will make a determination, the outcome of which could require conducting a full investigation if one of three circumstances exists: transaction involves a foreign government-controlled entity; transaction threatens to impair national security and the review cannot mitigate concerns; or National Intelligence Director identifies intelligence concerns and CFIUS could not agree upon methods to mitigate the concerns.

Incidents such as the Dubai Ports World (DPW) and the China National Offshore Oil Corporation's attempted bid for control of oil company Unocal raised and increased awareness around transactions that should receive CFIUS review. These incidents highlighted the need for meaningful CFIUS reform.

The bill balances the need for continued foreign investment in the United States, but reviewing that investment to determine if it would impair or threaten national security or critical infrastructure.

This bill establishes accountability to key Cabinet level agencies and, much like other corporate reform, requires personal action by the Secretaries of Treasury, Commerce, and Homeland Security. Congressional Research Service's independent report found that for all merger and acquisition activity in 2005, 13 percent of it was from foreign firms acquiring U.S. firms. This is up from 9 percent almost 10 years before. This statistic shows that foreign investment in the U.S. is vital to the economy.

Only through this legislation will CFIUS have a formal budget, membership, and clear mission—protecting American security while maintaining a free and growing economy.

In closing, let me thank my colleagues on the Financial Services Committee for their leadership on this legislation, especially my Democratic colleagues Representative CAROLYN MALONEY and JOSEPH CROWLEY of New York for their efforts. Congresswoman MALONEY actually testified before the Committee on Homeland Security on this legislation, explaining its necessity and importance.

Mr. BARTON of Texas. Mr. Speaker, although the legislation adds the Secretary of the Department of Homeland Security as a co-Vice Chair of CFIUS, I would like to enter into the RECORD a letter from Chairman KING of the Homeland Security Committee. The letter

states that this designation does not affect, alter, or add to that Committee's jurisdiction.

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON HOMELAND SECURITY,
Washington, DC, July 19, 2006.

Hon. MICHAEL G. OXLEY,
Chairman, Committee on Financial Services,
House of Representatives, Washington, DC.

DEAR CHAIRMAN OXLEY: I write in regard to H.R. 5337, Reform of National Security Reviews of Foreign Direct Investments Act.

I understand that nothing in H.R. 5337 or the amendments to H.R. 5337 affects, alters, or adds to the jurisdiction of the Committee on Homeland Security. Specifically, H.R. 5337's designation of the Department of Homeland Security as a vice-chairperson of CFIUS and the imposition of any additional duties associated with the appointment of the Department of Homeland Security as a vice-chairperson does not affect, alter, or add to my Committee's jurisdiction.

I'm pleased that we can continue to move this bill forward, and I look forward to working with you in that process.

Sincerely,

PETER T. KING,
Chairman.

Ms. WATERS. Mr. Speaker, I rise in strong support of H.R. 5337, the Reform of National Security Reviews of Foreign Investments bill. First, I want to once again acknowledge the work of the distinguished gentleman, Mr. OXLEY, Chairman of the Committee on Financial Services for supporting this bill, and Ranking Member FRANK for recognizing the importance of this issue. Let me congratulate Chairwoman PRYCE, of the Subcommittee on Domestic and International Monetary Policy, Trade and Technology, for working to move this legislation through the Committee and onto the Floor. The bill we consider today represents a comprehensive set of reforms to the Committee on Foreign Investment in the United States' (CFIUS) procedures. It is a testament to the diligence of the Subcommittee Chair and its Members that there is strong bipartisan support for H.R. 5337, also sponsored by the Subcommittee Ranking Member Ms. MALONEY, Mr. CROWLEY and Mr. BLUNT.

It has been more than 4 months since we were made aware of the Committee of Foreign Investment's (CFIUS) activities related to Dubai World Ports and the implications of the proposed deal for national security. I can genuinely say that the Members of the Committee on Financial Services have been deeply involved in this issue since the deal was analyzed by Congress. H.R. 5337 is designed to reform the CFIUS process based on the information gleaned from hearings on the subject. I am the first to say that no one is interested in cutting off foreign direct investment in the U.S., but we do expect such investments to be prudently made and that they are in the best interest of the country. As the leader of the world economy, it would be foolish to assume that we could take such steps to prohibit foreign direct investment. What we really need are safeguards to ensure that the CFIUS process is consistent with the original Congressional intent about national security and investments.

This bill will guarantee that CFIUS operates within the law, and it makes clear who is responsible for what, since it was revealed that no one was sure who was responsible for the Ports decision. Another critical issue is how decisions are actually made and what entity is principally responsible for protecting the national security interests of the nation as they

pertain to foreign direct investment. The bill enables CFIUS to unilaterally initiate a review where an national security issue is raised; any foreign government backed deal would be subject to review; both the Secretaries of Treasury and Homeland Security must sign off on reviews, while the Homeland Security Secretary would be vice-chair of the Committee; and all reviews are subject to review by the Director of National Intelligence.

Most importantly, everyone knows that transparency and accountability were, in part, at the heart of Congress' uproar over the Dubai World Ports deal. H.R. 5337 requires that CFIUS report bi-annually to Congress on its activities, which should prevent Congress from being alerted to such deals after the fact. I would submit that this is strong legislation that will only make Congress' job less difficult on the issue of national security and foreign direct investment. Therefore, I urge my Colleagues to support this major reform bill.

Mr. BACA. Mr. Speaker, I rise in strong support as a cosponsor of H.R. 5337, National Security Foreign Investment Reform and Strengthened Transparency Act of 2006.

This legislation clarifies and strengthens the authority of the Committee on Foreign Investment in the United States to ensure that foreign acquisitions of U.S. companies or assets do not threaten national security.

As the tragic events of September 11, 2001 demonstrate, the threats to the security of the United States have increased and evolved in ways that could not have been anticipated when Congress enacted the Exon-Florio provision in 1988. As a result, we can no longer view national security only through the lens of conventional military threats. We must also guard against other types of threats that could seriously harm our Nation such as a disruption of U.S. energy supplies.

With global energy supplies tight, and oil and gas prices skyrocketing, a major disruption of U.S. energy supplies would pose a grave danger to the Nation's economy and the safety and security of the American people. This bill recognizes this fact and includes strong measures to ensure that foreign takeovers of U.S. energy companies or assets do not threaten the energy security of the United States.

The Committee's Report states: "H.R. 5337 makes clear that national security encompasses threats to critical U.S. infrastructure, including energy-related infrastructure. The Committee expects that acquisitions of U.S. energy companies or assets by foreign governments or companies controlled by foreign governments will be reviewed closely for their national security impact. If such acquisitions raise legitimate concerns about threats to U.S. national security, appropriate protections as set forth in the statute should be instituted including potentially the prohibition of the transaction."

Russia is a perfect example. Russia has made it clear that it wants to acquire pipelines and natural gas conversion facilities in the United States. I strongly believe, however, the United States should tread very carefully before permitting such acquisitions. Here's why.

In 2003, Russian President Vladimir Putin reasserted government control over Russia's energy industry through the expropriation of Russia's largest privately-owned energy company, Yukos, without paying any compensation to its owners, including U.S. shareholders who lost approximately \$6 billion.

As a result, Russian energy companies such as Gazprom and Rosneft are controlled by friends and associates of Putin, including individuals who occupy high level positions in the Putin Administration. Putin appears to be using these companies to implement his strategy of using Russia's oil and gas exports as an instrument of political and economic coercion to advance the interests of the Kremlin. If these Russian government-controlled companies gain control of U.S. energy assets, U.S. energy security could easily be put at risk just as was the case when Russia cut off natural gas supplies to Ukraine in January, and later this spring, when Gazprom not-so-subtly warned European leaders that Russia would sell its natural gas to Asia instead of Europe if they tried to interfere in Russia's plans to control the entire sales and distribution of natural gas throughout Europe.

Mr. Speaker, this would be a disaster for America. We must not let this happen to the United States.

Mr. SHAYS. Mr. Speaker, I rise in strong support of H.R. 5337, the National Security Foreign Investment Reform and Strengthened Transparency Act.

I am an original cosponsor of this legislation, which would require that all transactions involving state-owned companies be automatically subject to a full 45-day investigation. The legislation would also name make the Homeland Security secretary the vice chairman of the Committee for Foreign Investment in the United States (CFIUS), which is chaired by the Treasury Department.

The recent attempt by Dubai Ports World (DP World), a port operations company owned by the government of the United Arab Emirates (UAE), to purchase operating terminals at six U.S. ports, was a clear indicator we must reform the CFIUS process.

Whenever a foreign investment affects homeland security, it deserves greater scrutiny. This legislation strikes the proper balance between strengthening our economy and protecting the American people.

Mr. Speaker, I urge my colleagues to support this legislation.

Mr. MORAN of Virginia. Mr. Speaker, I support H.R. 5337, and I would like to applaud the floor managers of the bill for their efforts on the legislation. The CFIUS process is in need of reform, and this bill provides reforms that effectively balance the country's need for strong national security protections with its need for continued foreign investment.

While our national security objectives must be paramount in this area, I do have some concern about the time CFIUS could take under the bill's provisions to review an acquisition that it ultimately determines presents no national security issues. The bill allows for a CFIUS review period of up to 30 days, followed by an investigation of up to 45 days when certain conditions specified in the bill are determined to be present. The investigation period can then be extended under certain circumstances. Notably, there is a mandatory investigation of all acquisitions by state-owned companies even in the absence of any showing of a possible national security concern.

I would prefer to see the process shortened where it is apparent at an early stage that national security is not an issue, and I urge my colleagues to consider changes in this regard in conference. It would be unfortunate if CFIUS resources were diverted from acquisi-

tions with real national security implications to those with no such implications. I am comforted on this point, however, by the fact that the review and investigation provisions would not preclude a person from petitioning CFIUS to dispense with the initial review period and to go directly to the investigative stage, thereby shortening the process in situations that do not present significant security risks. My understanding is that such a petition could be filed under the current CFIUS regime, and I do not read the bill as changing the law in that regard. I would assume that CFIUS would consider any such petition on a case-by-case basis and would decide whether or not to grant it depending on various factors affecting national security. Such factors, I assume, would include whether the acquirer had established its national security credentials in previous CFIUS proceedings or otherwise, whether in the case of a government-owned acquirer the government was a U.S. ally, and many other factors bearing one way or another on national security. I am also encouraged by the fact that the bill's review and investigation provisions prescribe a maximum, not a minimum, number of days.

Mr. Speaker, again I want to compliment the floor managers on a bill that puts national security first but that also will allow our continued need for foreign investment to be satisfied rather than ignored.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Ohio (Mr. OXLEY) that the House suspend the rules and pass the bill, H.R. 5337, as amended.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

Mr. OXLEY. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this question will be postponed.

PROVIDING FOR AN ADJOURNMENT OR RECESS OF THE TWO HOUSES

Mr. SHADEGG. Mr. Speaker, I offer a privileged concurrent resolution (H. Con. Res. 454) and ask for its immediate consideration.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 454

Resolved by the House of Representatives (the Senate concurring), That when the House adjourns on the legislative day of Thursday, July 27, 2006, or Friday, July 28, 2006, on a motion offered pursuant to this concurrent resolution by its Majority Leader or his designee, it stand adjourned until 2 p.m. on Wednesday, September 6, 2006, or until the time of any reassembly pursuant to section 2 of this concurrent resolution, whichever occurs first; and that when the Senate recesses or adjourns on Thursday, August 3, 2006, Friday, August 4, 2006, or Saturday, August 5, 2006, on a motion offered pursuant to this concurrent resolution by its Majority Leader or his designee, it stand recessed or adjourned until noon on Tuesday,